

Anglin-Norcross Corporation Limited

and Subsidiary Companies

REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS FOR THE YEAR ENDING FEBRUARY 29th, 1940.

Your Directors submit herewith a Consolidated Balance Sheet showing the condition of the Company at the close of our fiscal year ending February 29th, 1940.

Adequate provision has been made for depreciation, taxes, contingencies and doubtful debts.

Construction in Canada continues to mark time. As evidenced by statistics the value of construction undertaken in 1939 showed no increase over that of the previous year, both years being much below normal. Despite this general condition the volume of business done by your Company shows an increase over 1938 and a slight addition to our earned surplus.

In common with all industries, increasing taxation, both direct and indirect, adversely affected our earnings.

It is naturally problematical as to what extent our business will be affected this year by war conditions. We are, however, presently engaged upon a number of contracts among which, a large warehouse at Halifax for The Robert Simpson Company, an extensive addition to the main office of the Ontario Hydro Electric Commission at Toronto and the completion of the Supreme Court of Canada Building at Ottawa, are of importance.

During the past year our Northern Division, in conjunction with Messrs. Shoemaker & Burnham, Engineers, have successfully completed Mills for the Chesterville Larder Lake Gold Mines and also Cordova Mill for Consolidated Mining & Smelting Company.

In order to facilitate the handling of present and future contracts in the Maritime Provinces, we have incorporated a Subsidiary Company under the name of "Anglin-Norcross Maritime Limited."

Our investments continue to show satisfactory returns and our liquid position has been well maintained.

Your Directors regret to record the death during the year of A. O. Dawson, L.L.D., who was a Director of this Company since its incorporation. His experience, judgment and counsel will be greatly missed.

Yours faithfully,

HENRY J. GROSS,

PRESIDENT

MONTREAL, APRIL 8th, 1940.

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ANGLIN-NORCROSS CORPORATION L

Consolidated February

Assets

CURRENT ASSETS:

Cash in Banks	\$ 51,719.52	
Bonds and Investments	517,580.28	
(Market Value \$534,147.70)		
Accounts Receivable	881,581.00	
Material Inventories at the Lower of Cost or Market	35,605.36	
TOTAL CURRENT ASSETS		\$1,486,486.16

FIXED ASSETS:

Machinery, Tools and Equipment at Cost	359,625.22	
Office Building, Mile End Plant and Iberville Granite Cutting Works at Cost	\$ 170,386.20	
	\$ 530,011.42	
LESS: Depreciation Reserve	322,760.55	
		207,250.87

\$1,693,737.03

We have audited the Books and Accounts of ANGLIN-NORCROSS CORPORATION LIMITED, and its subsidiaries, Anglin-Norcross Quebec Limited, Anglin-Norcross Ontario Limited, National Granite Works Limited and Anglin-Norcross Maritime Limited for the year to February 29th, 1940.

We have verified the Securities and the Revenue therefrom. The usual Depreciation has been provided on Plant and Equipment, except in the case of the National Granite Works Limited.

In our opinion, the above Consolidated Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information and the explanations given to us, and as shown by the books of the Company. All our requirements as Auditors have been complied with.

WILSON, BIRNIE & SEYMOUR,
Chartered Accountants.

MONTREAL, APRIL 3RD, 1940.

LIMITED AND SUBSIDIARY COMPANIES

Balance Sheet

9th, 1940

Liabilities

CURRENT LIABILITIES:

Accounts and Bills Payable.....	\$ 616,940.28
Income Tax Reserve.....	3,515.67
Dividends Payable.....	118.50

TOTAL CURRENT LIABILITIES..... \$ 620,574.45

RESERVES:

Contingencies.....	\$ 24,221.84
Investments.....	75,537.56
General Reserve.....	118,662.63
	218,422.03

CAPITAL STOCK:

Preferred, 5% Redeemable, Non Cumulative	
Authorized and Issued.....65,600 Shares.....	\$ 656,000.00
Less: Redeemed.....9,224 Shares.....	92,240.00
	563,760.00
Common, No Par Value	
Authorized.....10,000 Shares.....	
Issued.....6,560 Shares.....	32,800.00
	596,560.00
CAPITAL SURPLUS.....	92,240.00
SURPLUS—EARNED.....	165,940.55

\$1,693,737.03

SURPLUS—EARNED

Profit on Completed Contracts after providing for all Operating Expenses and Depreciation of \$8,038.03 together with Income from Investments of \$29,319.06 for the year to February 29th, 1940...	\$ 35,142.66
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DEDUCT:

Directors Fees.....	\$ 3,100.00
Executives Salaries.....	24,200.00
Legal Fees.....	20.00
Reserve for Income Tax.....	2,850.00
	30,170.00

Net Profit for the year.....	\$ 4,972.66
Surplus, February 28th, 1939.....	160,967.89
Surplus, February 29th, 1940.....	<u>\$ 165,940.55</u>

Approved— { HENRY J. GROSS
C. D. HARRINGTON } Directors.

Anglin-Norcross Corporation Limited

BOARD OF DIRECTORS

G. W. BIRKS	Montreal	P. N. GROSS	Toronto
A. L. BISHOP	Toronto	C. D. HARRINGTON . .	Montreal
H. J. GROSS	Montreal	W. S. LESLIE	Montreal
G. L. MAGANN	Toronto		

OFFICERS

<i>President</i>	HENRY J. GROSS
<i>Vice-President and Manager</i>	CONRAD D. HARRINGTON
<i>Secretary-Treasurer</i>	GEORGE A. LOWLES
<i>Assistant Secretary-Treasurer</i>	THOMAS A. GUNN

SUBSIDIARY COMPANIES

ANGLIN-NORCROSS QUEBEC LIMITED . .	892 Sherbrooke St. W., Montreal
ANGLIN-NORCROSS ONTARIO LIMITED . .	57 Bloor Street West, Toronto
ANGLIN-NORCROSS MARITIME LIMITED . .	319 Roy Building, Halifax
NATIONAL GRANITE WORKS LIMITED	Iberville, Que.
ROSSLIN IMPROVEMENT COMPANY LIMITED .	892 Sherbrooke St. W., Montreal